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March 16, 2004

To: Federal Communications Commission
Office of the Secretary
445 12th Street SW
Washington DC 20554

From: Margene Dahlstedt, Director of Finance
Kearney Public Schools
310 West 24th Street
Kearney NE 68845
(308) 698-8006
Fax: (308) 698-8001
mdahlste@kearneypublic.org

Re: cc Docket No. 02-6
"Request for Review"

Enclosed is a copy of our letter of appeal submitted to the SLD and a copy of the SLD response dated January 20, 2004.

We are submitting a letter of appeal requesting that the FCC review the decision made by the SLD.

Enc

No. of Copies rec'd 0
List ABCDE



August 18, 2003

To: Universal Service Administrative Company
Box 125
Correspondence Unit
80 South Jefferson Rd
Whippany NJ 07981

From: Margene Dahlstedt, Director of Finance
Kearney Public Schools
310 W 24th St
Kearney NE 68845
(308) 237-6008
Fax: (308) 237-6014
mdahlste@kearneypublic.org

Re: Appeal of Erroneously Disbursed Funds

This is an appeal of the Recovery of Erroneously Disbursed Funds for funding year 1999-2000, Form 471 Application #141485. The following Funding Request Numbers are all dated 6/27/03.

Funding Request #'s	223076	223084	223098	223101
	223105	223111	223115	223117

The applicant name is Kearney Public Schools. Bill Entity #138779.

The time frame between when the Services Ordered and Certification Form was received by the SLD (April 3, 1999) and the funding commitment letter was received by Kearney Public Schools (October 5, 1999) was the problem.

We had waited as long as we could for the funding commitment. School was already in session and we needed the switches so we ordered them and paid for them with school district money (\$12,033.00). The switches were connected to an E-Rate eligible device and were required so the buildings could reach the Internet.

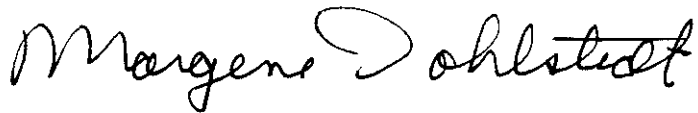
When we received the commitment letter it was necessary to modify the original plan since we already had the switches. The modified plan incorporated different equipment and locations, but was still internal connections provided by U.S. West. This equipment has since been upgraded.

We understand the issues identified during your review of application number 141485 and request that you take into consideration the district's expense of \$12,033 (not claimed through E-Rate). Seven HP Procurve 4000M switches were purchased from Data Comm Warehouse (see enclosed invoice) and were connected to E-Rate eligible devices so the various buildings could reach the Internet. It was necessary for us to move on this since school had already begun.

We are requesting a reduction in the "Funds to be Recovered" amount of \$7,391.70 (post discount amount for the seven switches). See attached sheets.

Original total of "Funds to be Recovered" -	\$17,446.15
Less HP switch cost (post discount) -	<u>\$ 7,391.70</u>
Adjusted total of "Fund to be Recovered" -	\$10,054.45

Please contact Margene Dahlstedt at Kearney Public Schools regarding any questions.



Margene Dahlstedt, Director of Finance
Kearney Public Schools
310 W 24th St
Kearney NE 68845
(308) 237-6008
Fax: (308) 237-6014
mdahlste@kearneypublic.org

Data Comm WAREHOUSE

7077 COLLECTION CENTER DR.
CHICAGO IL 60693-0072

INVOICE

Please refer to your invoice number and account number in all communications regarding this invoice.

Sales: 800-328-2261 Fax: 732-363-4823

Acctg: 800-445-9679 Fax: 732-370-1089

SOLD TO:

KEARNEY PUBLIC SCHOOLS
ATTN: TECHNOLOGY DEPARTMENT
ACCOUNTS PAYABLE**MASTER ACCT*
310 W 24TH STREET
KEARNEY, NE 68847

SHIP TO (IF OTHER THAN 'SOLD TO'):

KEARNEY PUBLIC SCHOOLS
ATTN: CAROL SHIMEALL
310 WEST 24TH STREET
KEARNEY, NE 68845

YOUR PURCHASE ORDER
NUMBER

657

YOUR PURCHASE ORDER
DATE

10/05/99

INVOICE NUMBER	ACCOUNT NUMBER	INVOICE DATE	SHIPPED VIA	DATE SHIPPED	Payment due by
P19350730101	0000507566	10/08/99	SPECIAL SHIPP	10/08/99	11/07/99

ORDERED	SHIPPED	ITEM NO.	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
8	8	DEH4055	HP PROCURVE SWITCH 4000M (40 10/100BTX, 5 SL SSG92602467 SSG92602476 SSG92602473 SSG92602466 SSG92602484 SSG92602485 SSG92602470 SSG92602486	1,719.00	13,752.00
*THANK YOU FOR YOUR ORDER. PLEASE CALL DAN KURZATKOWSKI *EXT 7204 ACCOUNT MANAGER FOR YOUR SCHOOL FOR QUESTIONS *CONCERNING YOUR ORDER OR FAX TO 203-899-2104 THANK YOU***					

ACCOUNTS 30 DAYS AND OVER ARE SUBJECT TO A FINANCE
CHARGE OF 1½% PER MONTH WHICH IS AN ANNUAL PERCENTAGE
OF 18% TO BE APPLIED TO THE UNPAID BALANCE.

ORIGINAL

SALES TAX	F.O.B.	SHIPPING & HANDLING	TOTAL DUE
			CONTINUED

FEDERAL TAX I.D. #061192793

PLEASE DETACH HERE AND RETURN BOTTOM STUB WITH PAYMENT

Data Comm WAREHOUSE

7077 COLLECTION CENTER DR.
CHICAGO IL 60693-0072

F.O.B.	SALES TAX
SHIPPING & HANDLING	TOTAL DUE
	CONTINUED

INVOICE NUMBER	ACCOUNT NUMBER	INVOICE DATE	SHIPPED VIA	DATE SHIPPED	Payment due by

SOLD TO:

PLEASE NOTE ADDRESS CHANGE AND RETURN BOTTOM STUB WITH PAYMENT

Make checks payable to:

023819

|||||
KEARNEY PUBLIC SCHOOLS
ATTN: TECHNOLOGY DEPARTMENT
ACCOUNTS PAYABLE**MASTER ACCT*
310 W 24TH STREET
KEARNEY, NE 68847

|||||
DATA COMM WAREHOUSE
7077 COLLECTION CENTER DRIVE
CHICAGO IL 60693-0072

340099

Funding Disbursement Synopsis for Application Number: 141485

Funding Request Number: 223076 SPIN: 143000132
Service Provider: Qwest Interprise America, Inc. fka US West Interprise Americ
Contract Number: 860
Services Ordered: INTERNAL CONNECTIONS
Site Identifier: 79248 BRYANT ELEMENTARY SCHOOL
Billing Account Number:
Funding Commitment: \$1,957.20
Funds Disbursed to Date: \$4,093.60
Funds to be Recovered: \$2,136.40
Disbursed Funds Recovery Explanation: - 1,395.20

After a thorough investigation it was determined that \$2,136.40 was erroneously disbursed for this funding request. An audit determined that SLD was invoiced for the full post-discount commitment amount of \$4,093.60, while the actual cost of the product received by the applicant was only \$1,957.20 post-discount. The SLD is unable to disburse funds for services that were not delivered. Accordingly the erroneously disbursed funds must be recovered.

Funding Request Number: 223079 SPIN: 143000132
Service Provider: Qwest Interprise America, Inc. fka US West Interprise Americ
Contract Number: 860
Services Ordered: INTERNAL CONNECTIONS
Site Identifier: 79243 EMERSON ELEMENTARY SCHOOL
Billing Account Number:
Funding Commitment: \$0.00
Funds Disbursed to Date: \$4,093.60
Funds to be Recovered: \$4,093.60
Disbursed Funds Recovery Explanation:

After a thorough investigation it was determined that this funding request received an erroneous disbursement in the amount of \$4,093.60. An audit determined that SLD was invoiced for this funding request, but the applicant never actually purchased or installed the requested product at the approved location. As a result of this finding, the disbursement amount of \$4,093.60 must now be recovered.

Funding Request Number: 223084 SPIN: 143000132
Service Provider: Qwest Interprise America, Inc. fka US West Interprise Americ
Contract Number: 860
Services Ordered: INTERNAL CONNECTIONS
Site Identifier: 79242 PARK ELEMENTARY SCHOOL
Billing Account Number:
Funding Commitment: \$0.00
Funds Disbursed to Date: \$2,558.50
Funds to be Recovered: \$2,558.50
Disbursed Funds Recovery Explanation:
$$\begin{array}{r} \$1,719 \\ \times 50\% \\ \hline 859.50 \\ - 2,558.50 \\ \hline - 859.50 \\ \hline \end{array}$$

After a thorough investigation it was determined that this funding request received an erroneous disbursement in the amount of \$2,558.50. An audit determined that SLD was invoiced for this funding request, but the applicant never actually purchased or installed the requested product at the approved location. As a result of this finding, the disbursement amount of \$2,558.50 must now be recovered.

Funding Request Number: 223098 SPIN: 143000132
Service Provider: Qwest Interprise America, Inc. fka US West Interprise Americ
Contract Number: 860
Services Ordered: INTERNAL CONNECTIONS
Site Identifier: 79253 GLENWOOD ELEMENTARY SCHOOL
Billing Account Number:
Funding Commitment: \$0.00
Funds Disbursed to Date: \$873.00
Funds to be Recovered: \$873.00
Disbursed Funds Recovery Explanation:
$$\begin{array}{r} 41719 \\ \times 50\% \\ \hline 20859.50 \\ - 873.00 \\ \hline 20859.50 \\ - 20859.50 \\ \hline 0.00 \\ \hline \end{array}$$

After a thorough investigation it was determined that this funding request received an erroneous disbursement in the amount of \$873.00. An audit determined that SLD was invoiced for this funding request, but the applicant never actually purchased or installed the requested product at the approved location. As a result of this finding, the disbursement amount of \$873.00 must now be recovered.

Funding Request Number: 223101 SPIN: 143000132
Service Provider: Qwest Interprise America, Inc. fka US West Interprise Americ
Contract Number: 860
Services Ordered: INTERNAL CONNECTIONS
Site Identifier: 79239 KEARNEY HIGH SCHOOL
Billing Account Number:
Funding Commitment: \$1,223.25
Funds Disbursed to Date: \$2,558.50
Funds to be Recovered: \$1,335.25

Disbursed Funds Recovery Explanation:

After a thorough investigation it was determined that \$1,335.25 was erroneously disbursed for this funding request. An audit determined that SLD was invoiced for the full post-discount commitment amount of \$2,558.50, while the actual cost of the product received by the applicant was only \$1,223.25 post-discount. The SLD is unable to disburse funds for services that were not delivered. Accordingly the erroneously disbursed funds must be recovered.

Funding Request Number: 223105 SPIN: 143000132
Service Provider: Qwest Interprise America, Inc. fka US West Interprise Americ
Contract Number: 860
Services Ordered: INTERNAL CONNECTIONS
Site Identifier: 79249 HORIZON MIDDLE SCHOOL
Billing Account Number:
Funding Commitment: \$1,467.90
Funds Disbursed to Date: \$3,070.20
Funds to be Recovered: \$1,602.30

Disbursed Funds Recovery Explanation: -

After a thorough investigation it was determined that \$1,602.30 was erroneously disbursed for this funding request. An audit determined that SLD was invoiced for the full post-discount commitment amount of \$3,070.20, while the actual cost of the product received by the applicant was only \$1,467.90 post-discount. The SLD is unable to disburse funds for services that were not delivered. Accordingly the erroneously disbursed funds must be recovered.

Funding Request Number: 223111 SPIN: 143000132
Service Provider: Qwest Interprise America, Inc. fka US West Interprise Americ
Contract Number: 860
Services Ordered: INTERNAL CONNECTIONS
Site Identifier: 202745 SUNRISE MIDDLE SCHOOL
Billing Account Number:

Funding Commitment: \$1,467.90
Funds Disbursed to Date: \$3,070.20
Funds to be Recovered: \$1,602.30
Disbursed Funds Recovery Explanation: $\$1,031.40$

Handwritten calculations:
\$ 1719
X 60%

\$ 1,031.40

After a thorough investigation it was determined that \$1,602.30 was erroneously disbursed for this funding request. An audit determined that SLD was invoiced for the full post-discount commitment amount of \$3,070.20, while the actual cost of the product received by the applicant was only \$1,467.90 post-discount. The SLD is unable to disburse funds for services that were not delivered. Accordingly the erroneously disbursed funds must be recovered.

Funding Request Number: 223115 SPIN: 143000132
Service Provider: Qwest Interprise America, Inc. fka US West Interprise Americ
Contract Number: 860
Services Ordered: INTERNAL CONNECTIONS
Site Identifier: 79246 KENWOOD ELEMENTARY SCHOOL
Billing Account Number:

Funding Commitment: \$0.00
Funds Disbursed to Date: \$1,222.20
Funds to be Recovered: \$1,222.20
Disbursed Funds Recovery Explanation: $\$1,203.30$

Handwritten calculations:
\$ 1719
X 70%

\$ 1,203.30

After a thorough investigation it was determined that this funding request received an erroneous disbursement in the amount of \$1,222.20. An audit determined that SLD was invoiced for this funding request, but the applicant never actually purchased or installed the requested product at the approved location. As a result of this finding, the disbursement amount of \$1,222.20 must now be recovered.

Funding Request Number: 223117 SPIN: 143000132
Service Provider: Qwest Interprise America, Inc. fka US West Interprise Americ
Contract Number: 860
Services Ordered: INTERNAL CONNECTIONS

Site Identifier: 79241 NORTHEAST ELEMENTARY SCHOOL

Billing Account Number:

Funding Commitment:

\$0.00

Funds Disbursed to Date:

\$2,022.60

Funds to be Recovered:

\$2,022.60

Disbursed Funds Recovery Explanation: -

After a thorough investigation it was determined that this funding request received an erroneous disbursement in the amount of \$2,022.60. An audit determined that SLD was invoiced for this funding request, but the applicant never actually purchased or installed the requested product at the approved location. As a result of this finding, the disbursement amount of \$2,022.60 must now be recovered.

1719

X 60%

\$ 1,031.40

~~\$ 1,031.40~~
\$ 991.20



Administrator's Decision on Appeal - Funding Year 1999-2000

January 20, 2004

Margene Dahlstedt
Kearney Public Schools
310 West 24th Street
Kearney, NE 68845

Re: Billed Entity Number: 138779
471 Application Number: 141485
Funding Request Number(s): 223076, 223084, 223098, 223101, 223105,
223111, 223115, 223117
Your Correspondence Dated: August 18, 2003

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (“SLD”) of the Universal Service Administrative Company (“USAC”) has made its decision in regard to your appeal of SLD’s Year 1999 Recovery of Erroneously Disbursed Funds Letter for the Application Number indicated above. This letter explains the basis of SLD’s decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission (“FCC”). If your letter of appeal included more than one Application Number, please note that for each application for which an appeal is submitted, a separate letter is sent.

Funding Request Number: 223076, 223084, 223098, 223101, 223105, 223111, 223115, 223117

Decision on Appeal: **Denied in Full**

Explanation:

- You have stated on appeal that the cause of the problem was the fact that the services ordered and certification form was received by the SLD on April 3, 1999 and the FCDL was received by the school on October 5, 1999. You state that you had waited as long as you could for the FCDL and school was already in session and you needed the switches so you ordered them and paid for them with District money. You also state that the switches were connected to e-rate eligible devices so the buildings could reach the Internet. You close the appeal by stating that when you finally received the FCDL it was necessary to modify the original plan since you already had the switches and this modified plan incorporated different equipment and different locations but was still Internal Connections provided by US West. You understand the issues identified during the SLD review of the application and request that the SLD take into consideration the district expense

of \$12,033.00 (\$7,391.70 post discount) which was not claimed through e-rate, for seven HP Procurve 4000M Switches that were purchased from Data Comm (invoice included with the appeal) and were connected to e-rate eligible devices so various buildings could reach the Internet. You state that this was necessary since school session had already begun and you would like the SLD to deduct the post discount amount of \$7,391.70 from the amount of \$17,446.15 that is currently the issue in the funds to be recovered letter.

- It is noted that your appeal requests additional funds of \$12,033.00 that were not requested through the e-rate program and were never included on a FCC Form 471 application. FCC rules require that funding requests be made on Forms 471. See 47 C.F.R. § 54.504. Funding requests may not be made on appeals of SLD commitment decisions.
- After a thorough review of the appeal, it was determined that all of the above funding requests were approved for the originally requested amounts that were listed on the Block 5 submissions. It was also determined that on March 3, 2003 a USAC Internal Audit Unit had determined that the SLD was invoiced for the full post-discount commitment amounts for each funding request listed above, while the actual cost of the products received by the applicant were either less than what was originally requested and approved on the submitted Form 471 or the applicant never actually purchased or installed the requested product at the approved location that was listed on Block 4. As a result of this determination \$17,446.15 of erroneously disbursed funds will be recovered in full. According to the rules of this Support Mechanism the SLD is unable to disburse funds for services that were not purchased nor delivered. Consequently, the appeal is denied in full.

If you believe there is a basis for further examination of your application, you may file an appeal with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company